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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

(APR 11 1994)

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Implementation of Section 26 of)
the Cable Television Consumer)
Protection and Competition Act)
of 1992)
)
Inquiry into Sports Programming)
Migration)

PP Docket No. 93-21

FURTHER COMMENTS OF
MADISON SQUARE GARDEN CORPORATION

The Commission has initiated this further inquiry to update the record in this proceeding in preparation for the issuance of its final report to Congress. Madison Square Garden Corporation ("MSG") participated in the earlier phase of this proceeding. See Comments of Madison Square Garden Corporation, filed March 29, 1993. Our comments explained the operation of the MSG Network and the evolution of over-the-air and cablecast coverage of professional and amateur sports programming in the New York Metropolitan Area. We demonstrated that MSG Network's carriage of Knicks, Rangers and Yankees games has contributed to consumer welfare by enhancing and preserving the public's access to these sporting events. Accordingly, we limit these further comments to those questions which the Commission has specifically raised in the Further Notice involving over-the-air and cablecast coverage of Knicks, Rangers and Yankees games. In support, the following is stated:

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1. The principal matter upon which the Commission has requested MSG to supply additional information relates to the status of our arrangement with WPIX-TV for the over-the-air carriage of New York Yankees games. Further Notice at ¶ 22. In general, the trade press reports cited by the Commission are accurate: Although a definitive agreement has not yet been executed, we have reached an agreement in principle with WPIX-TV for the over-the-air carriage of 50 New York Yankees games per year through the end of the 1996 season.

The structure of the arrangement is virtually identical to that which existed between MSG Network and WPIX for the 1991-1993 seasons, as described in our original comments in this docket. MSG Network will pay WPIX a per game fee and, in return, MSG will retain the right to sell advertising associated with the Yankees games that are telecast over-the-air. See Comments of Madison Square Garden Corporation at 12-14. The per game license fee to be paid by MSG Network for games aired over WPIX has been reduced; however, as a new inducement, MSG Network has agreed to share with WPIX revenues (above defined levels) that MSG Network receives from the sale of the games to over-the-air television stations beyond WPIX's coverage area and from the sale of advertising time. WPIX-TV will share in advertising revenues with respect to games televised on WPIX and also with respect to games cablecast on the MSG Network.

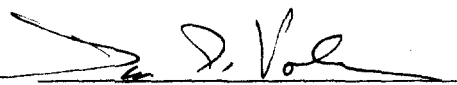
The negotiations leading to this arrangement have been protracted and delicate. The structure of the arrangement, however, confirms that the fundamental hypothesis concerning sports migration is not applicable here: MSG Network has not sought exclusive exploitation of its rights to Yankees games over its own network; on the contrary, it has made unusual business concessions (including sharing revenue with WPIX-TV from cablecasting) to overcome the fact that five of the six New York commercial television stations were unwilling or contractually unable to broadcast these games. As a result of the arrangement now arrived at with WPIX, consumers will have, for the next three years, the same mix of local over-the-air broadcast and regional cablecast coverage of Yankees games that they enjoyed in 1992 and 1993.

2. The Commission also asks for additional relevant information with respect to what the Further Notice characterizes as "declines over time" in the local over-the-air exhibition of New York Knicks and New York Rangers games. Further Notice at ¶¶ 20, 26. We think it important to reemphasize that the decline in the number of Knicks and Rangers games that occurred at the end of 1989-1990 season was not the result of sports migration in any meaningful sense of that term. MSG was unable to find an over-the-air television station willing to continue (or even to closely approximate) the pre-existing schedule of games aired. See Comments of

Madison Square Garden Corporation at 7-10. MSG's decision to increase its cablecast coverage of Knicks and Rangers games therefore contributed, and continues to contribute, to consumer access.

Respectfully submitted, .

MADISON SQUARE GARDEN
CORPORATION

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